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20-24 April 1992

DECLARATION OF AFRICAN MINISTERS RESPONSIBLE FOR TRADE PREPARATORY TO UNCTAD VIII

MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE LUSAKA, ZAMBIA, 19-20 SEPTEMBER 1991

We, the African Ministers responsible for Trade,

Having met in Lusaka, Zambia, on 19 and 20 September 1991, to prepare the forthcoming eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII), pursuant to our decision at the eleventh session of the Conference of African Ministers of Trade;

Having reviewed global economic and political developments since UNCTAD VII, in particular their impact on African countries;

Having considered the Progress Report of the Preparatory Committee of the Group of 77, which we regard as a basis for negotiation at UNCTAD VIII;

Declare as follows:

1. The eighth session of UNCTAD will be taking place against the background of dramatic changes in economic structures and international economic and political relations which are occurring at an accelerated pace. The most important of these include the marked easing of military and political tensions between the major powers, the introduction of democratic forms of government and market-based economic systems in Central and Eastern Europe, changes in patterns of East-West relations, new international approaches to resolving regional conflicts and movement toward political pluralism.

2. The relatively steady growth in the world economy during the 1980s bypassed many developing countries, particularly those in Africa, leading to increased disparities in income and quality of life between developed and African countries. Persistent economic stagnation or decline led to depressed levels of investment and even disinvestment in developing countries, especially in Africa, denying the latter the means for social and economic development. The least developed countries experienced further marginalization.

3. The trend towards regional trading blocs among developed countries is bound to have serious implications for the expansion of developing countries' trade. African countries, which have been entirely left out of the evolving trade blocs, shall continue to work for and support efforts aimed at strengthening the multilateral trading system in order to reduce the negative consequences of these developments on their economies.

4. African countries have a strong interest in the liberalization of trade at the multilateral level. In this regard, they urge the industrialized countries to make all efforts to arrive at a successful, balanced and early conclusion of the Uruguay Round of Multilateral Trade Negotiations (MTNs). The results of the Uruguay Round should take into account the economic realities, the specific conditions and developmental requirements of African countries.

5. Major features of the international economic environment which are of critical importance for the development of African countries remained unsupportive of their efforts. These include the dramatic fall in the real prices of commodities, coupled with a decline in their market share, worsening terms of trade, the collapse in financial flows, the burden of debt and debt overhang, the rise in international interest rates until recently and the increasing protectionist and discriminatory non-tariff trade measures.

6. For African countries, sound domestic policies have little chance of succeeding without a facilitating external economic environment and supportive international actions.

7. Throughout the decade of the 1980s, Africa continued to be on the periphery of the global economy as a result of both exogenous and endogenous factors. Africa was affected by severe natural calamities, including prolonged drought and desertification, as well as by an unfavourable external economic environment typified by the collapse in the prices of commodities exported by Africa, a mounting debt and debt-service burden and reduced external financial flows. Thus Africa, with the largest number of least developed countries, saw this number increase from 26 in 1981 to 29 in 1991, with still more countries being proposed for inclusion in this category.

8. In view of the adverse effect of the debt overhang on many African countries, the international community must take new concrete actions, as a matter of urgency, to find adequate solutions to the problem. Such actions must essentially be aimed at reducing substantially both the stock and servicing of external debt.

9. The seriousness of Africa's socio-economic crisis was recognized by the international community, which adopted the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD). The Programme was a unique framework that offered the promise of international economic cooperation and solidarity with the objective of reversing the continent's social and economic conditions. Unfortunately, the focus of international attention concentrated heavily on macro-economic reforms and the IMF/World Bank-supported structural adjustment programmes (SAPs) whose policy prescriptions were often short term in orientation and therefore incompatible with the overriding longer-term objectives of UN-PAAERD which are to lay to foundation for those durable changes necessary for the structural transformation of African economies.

10. The failure to support Africa's reform effort was reflected not only in inadequate resource flows but also in the increased wave of protectionism, despite autonomous trade liberalization measures undertaken by African countries within the framework of structural adjustment programmes.

11. African countries currently pursuing structural adjustment programmes in order to improve their financial situation and to ease the constraints on their economies firmly believe that the success of such programmes remains dependent on an improvement in the international economic environment. The industrialized countries should so adjust their economies so as to reduce their imbalances and better coordinate their budgetary and monetary policies with a view to achieving stable exchange rates and to keeping down any increases in interest and inflation rates.

12. Africa recognizes that the primary responsibility for its socio-economic development rests with its Governments and peoples, and that the effective transformation of its economies will not be possible without effective regional and subregional cooperation and integration. Africa, therefore, accords high priority to the establishment of the African Economic Community, the Treaty of which was signed by African leaders on 3 June 1991 in Abuja, Nigeria. The continent urges the international community to provide the firm support and commitment needed to assist African countries in these efforts.

13. The African countries also seize the opportunity to draw the attention of the international community to the importance they attach to the "Strategies for revitalization, recovery and growth of African trade in the 1990s and beyond". They also call the attention of the international community to the continent's position on Africa's external debt, as well as to the support that they expect the international community to provide to those African countries pursuing the approach to development outlined in the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Revovery and Transformation (AAF-SAP).

14. UNCTAD VIII should, therefore, treat in an integrated and comprehensive manner the development-related issues on its agenda in order to contribute to the achievement of self-sustained development in Africa. The challenge for UNCTAD VIII, taking place at the beginning of the decade of the 1990s and against the background of the lost decade of the 1980s, will be to contribute to generating the momentum that is required to relaunch the African economies on the path of accelerated recovery and transformation.

15. The basic objectives of promoting accelerated economic development of developing countries on a multilateral basis through international cooperation which promoted the establishment of UNCTAD are as valid today as they were in 1964. UNCTAD has acquired a clear distinction and comparative advantage as a major intergovernmental forum for initiating new ideas on development, and for instituting healthy and fruitful dialogue and negotiations among countries at different levels of development based on sound analyses and decisions, as well as for technical assistance.

16. Members States of UNCTAD used the occasion of the twenty-fifth anniversary of UNCTAD in October 1989 to renew their commitment to the objectives of UNCTAD and pledged themselves individually and collectively to enhance their political support to UNCTAD and to make it more effective by adapting it to emerging changes in international cooperation in the fields of trade, growth and development, particularly of developing countries. We would like to reaffirm this commitment and further underscore the continuing validity of UNCTAD's basic mandate in the light of the rapid and dramatic changes that are taking place in international economic and political relations. We also reaffirm the validity of UNCTAD as a universal democratic forum for in-depth research and analysis on trade and development issues affecting, in particular, developing countries. The universality of its membership and its development mission makes UNCTAD a unique forum for tackling the problems of interdependence that increasingly determine the prospects of the world economy and its constituent members. We thus attach great importance to the strengthening of UNCTAD's negotiating role and the promotion of intergovernmental consensus on legally binding or other instruments, elaborating policy frameworks for concrete measures and decisions for adoption and implementation at the international and national levels.

17. There is a need to remove the dichotomy between consideration of the development aspects of trade policy issues and negotiations in the context of MTNs that treat the development dimension as alien to trade liberalization and expansion. New institutional arrangements for international trade would, therefore, have to be comprehensive in subject coverage, universal in membership, responsive to the interests of all members, particularly the developing countries, and democratic in their decision-making, with the ultimate aim of ensuring that all countries are enabled to achieve the capacity to compete in world trade.

18. Finally, we believe that the strength and validity of UNCTAD derive from the political support of and commitment to its cause by all its members. In this connection, we subscribe to the further revitalization and strengthening of the Group of 77 whose vitality we believe will contribute immensely to that of UNCTAD. We welcome, therefore, all proposals intended to achieve these twin objectives. The strength of the Group of 77 derives essentially from a shared perception of its common problems, which have always transcended its economic and political diversity. We affirm that the need to address special needs within the Group of 77 family of nations is not incompatible with the long-term mutual interests of all developing countries and indeed of the world community at large. For this reason, the Group of 77 has to work together and both remain a political instrument to articulate these common problems as well as provide solidarity for the achievement of collectively defined goals and objectives for developing countries on the basis of an agreed negotiating agenda with the developed countries.

19. The African Group in Geneva should consult among themselves to develop a common position on institutional issues, taking into account the views of other regional groups. The regional groups of the Group of 77 are invited to engage in consultations in the intervening period leading up to the seventh Ministerial Meeting of the Group of 77 with a view to arriving at a common approach on the question of institutional matters for consideration by the Ministers at their seventh session.

20. We believe that African countries can meet the development challenges of the 1990s and beyond if their own efforts are supported by those of the international community. In this regard, we feel strongly that by addressing the UNCTAD VIII agenda in a positive spirit with concrete action-oriented results, the Conference will be making an important contribution to furthering this objective. It is in this spirit, therefore, that the following policies and measures are proposed to underscore areas of particular concern to African countries on the agenda of the Conference.

I. COMMODITIES

21. During the last decade, prices of commodities of export interest to Africa have been declining and are now at their lowest levels. In real terms, the prices of tropical beverages declined by 70 per cent, those of agricultural raw materials by 30 per cent and of minerals and metals by 24 per cent in relation to the 1980s. Indications are that the tendency of falling prices will continue for a long time to come.

22. African economies have been severely affected by this situation, as Africa remains the most commodity-dependent region. The trend of a falling commodity prices, coupled with a declining world market share for African commodity exports and the increasing uncertainty of finding market outlets in the developed countries, has increased the vulnerability of African economies to events on world commodity markets over which they have little if any influence; this situation has greatly impaired their ability to finance their development efforts and to service their debts.

23. Thus, international commodity policies and measures are of great relevance to African countries. While there have been international efforts to tackle the problems of debt and protectionism, similar initiatives have not been taken in the area of commodities. Therefore, the African countries wish to bring to the attention of the international community their main objectives in the area of commodities and the international policy measures which would contribute to improvements in prices and incomes from their commodity sectors.

A. Objectives of African countries in the fields of commodities

24. Commodity sector activities should contribute towards the realization of the main objectives of Africa's socio-economic development, especially by meeting basic needs and by improving standards of living. In this perspective, African objectives are as follows:

(a) Maximization of the revenue originating from the export of commodities through active and increased participation in the activities of processing, marketing and distribution, including transportation;

(b) Stabilization of prices and revenues from commodity exports;

(c) Making production and marketing structures for commodities more efficient and competitive; and

(d) Gradual reduction of the excessive dependency of African economies on the primary export sector, especially on the export of a very limited number of primary commodities.

B. Policies and measures

25. To attain these objectives, it is necessary for the international community to implement policies and measures to ensure the stability of commodity prices at renumerative levels and of revenue from commodity exports, access to markets, access to technology, and market transparency, as well as diversification of commodity sectors.

(a) International agreements and arrangements

26. International cooperation among producers and consumers should contribute towards improvements in the functioning of commodity markets, including elimination of the reduction of speculative practices and various forms of manipulation on commodity markets which are clearly harmful to the economic and commercial interests of developing producer countries.

27. International agreements and arrangements for commodities, as foreseen in the Integrated Programme for Commodities, are still relevant and can have an important role to play in solving problems related to commodities when they are given support by all major producers and consumers. African countries call for serious negotiations between producers and consumers aimed at signing more efficient international agreements or arrangements endowed with adequate financial resources and benefiting from the effective participation of all the major producers and consumers. In this regard, urgent attention should be paid to the cases of coffee and cocoa, where international agreements are currently under renegotiation. Furthermore, other international commodity agreements which are due to expire in the near future should be improved and strengthened during renegotiations. To ensure the effectiveness of commodity agreements, all States parties to the agreements should translate their avowed political goodwill into concrete action by honoring their contractual obligations.

28. For the commodities not yet covered by international agreements or arrangements, consultations between producers and consumers should continue, under UNCTAD's auspices, with a view to finding appropriate solutions to the identified problems. When the interested producer and consumer countries so desire, negotiations of international agreements or arrangements should be envisaged.

29. Finally, it is important for the deliberations of the Intergovernmental Group of Experts on Restrictive Business Practices (RBPs) and those of the United Nations Centre on Transnational Corporations to examine closely the practices and behaviour of transnational corporations dealing in commodity markets with a view to ensuring that such practices are not to the disadvantage of developing countries.

(b) Cooperation among producers

30. In order to cope efficiently with the current situation of surplus supply for most commodities, it is necessary to establish more effective cooperation among the developing country commodity producers aimed at:

(a) Redynamizing commodity agreements and arrangements through harmonization of production and diversification policies, coordinated supply management and other concerted actions;

(b) Setting up information systems accessible to and easily exploitable by all producer countries on production, investments and exports;

(c) Carrying out joint actions aimed at increasing demand for products; and

(d) Fostering the transfer of technology among producer countries.

(c) The Common Fund for Commodities

31. African countries reiterate the necessity of bringing into operation the first account of the Common Fund to support the stabilization of commodity prices through international commodity agreements.

32. State members of international commodity bodies, as well as intergovernmental groups designated as international commodity bodies by the Common Fund, should coordinate and speed up their efforts to elaborate research and development projects to be submitted to the second account of the Common Fund, giving special priority to projects which are designed to benefit least developed countries.

33. African countries call upon States members of the Common Fund which have not yet paid in their contributions to the Common Fund and those which have yet to make good on their pledges of voluntary contributions to the second account to do so urgently. States members of the Common Fund should strengthen the secretariat of the Common Fund to enable it to carry out its tasks. They should also assist in promoting the use of the Fund to support the development and diversification of the commodity sectors of developing countries.

(d) Diversification, processing, marketing and distribution, including transportation

34. In order to profit fully from the possibilities for adding value to their commodities, developing producing countries, especially those in Africa, should do everything they can to promote their increased participation in the processing, marketing and distribution of these products. In order to assist these efforts, the international community should commit itself to giving meaningful support, especially in the form of additional financial resources, technical assistance, and access to market information and to technology. It is also important that developed countries commit themselves to increasing direct foreign investment and to facilitating access to markets.

35. The international community, especially the donor countries and the multilateral financial institutions, should further commit themselves to creating a special fund for African countries to assist in the realization of their projects and programmes of horizontal and vertical diversification.

(e) Compensatory financing

36. Given that African countries have been experiencing large recurrent shortfalls in their export earnings from commodities, existing compensatory financing mechanisms, namely the IMF-CCFF, the ACP-EEC STABEX facility and the compensatory financing programme of Switzerland, should be improved in order to relieve the chronic insufficiency of finance to meet these shortfalls. Measures to be adopted in this field should lead to the establishment of a universal commodity-related compensatory financing system covering all countries and all commodities. Further, African countries urge the establishment of an additional facility that would provide long-term commodity-specific finance directed at tackling the root causes of shortfalls in earnings from individual commodities and at enhancing processing and diversification in the commodity sector.

(f) Market access

37. The success of any national policy measures with regard to commodities, especially those concerning vertical diversification, largely depends on the access of the exporting countries to the markets of industrialized countries. Consequently, and without prejudice to the already existing preferences accorded to African countries, trade negotiations should lead to a total dismantling of all forms of barriers which restrict the access of developing country commodity products in primary and processed forms to developed countries' markets.

II. RESOURCES FOR DEVELOPMENT

38. After a decade, the debt crisis in Africa is far from being resolved. In addition, net resource flows to the continent have stagnated in real terms in spite of intensified efforts by African countries to implement adjustment programmes. African countries are also concerned by the persistence of net negative transfers of resources to them, especially during a period of an increasing shortage of international savings and rising demand for external finance due notably to the economic restructuring in Central and Eastern Europe. Therefore, UNCTAD VIII should provide for a decisive resolution of the external debt crisis of African countries through the adoption of far-reaching measures designed to achieve large-scale debt and debt-service reduction for all African countries and the resumption of net positive external capital flows to them.

A. Policies and measures to enhance the revitalization of the economies of African countries

(a) The debt crisis

39. With regard to debt owed to official bilateral creditors:

(a) The industrialized countries should cancel all official bilateral debt (both concessional and non-concessional) of low-income African countries, including both Paris Club debt and debt owed to other developed countries;

(b) Bilateral debt cancellation measures should, where appropriate, concern the totality of the stock of such debt, and not only the stock existing before the cut-off date;

(c) Creditors should ensure that debt cancellation is additional to ongoing and future aid programmes;

(d) Paris Club creditors should urgently implement substantial debt reduction for middle-income African countries. In this regard, the initiative taken by the Paris Club in favour of certain middle-income countries was a positive step. Paris Club creditors should implement similar initiatives in favour of heavily indebted African countries. The remaining stock of debt should be rescheduled on concessional terms and with multi-year rescheduling agreements;

(e) In future Paris Club creditors should consider extending to African countries concessional debt relief measures similar to those which may be provided by them to Eastern European Countries.

40. With regard to debt owed to multilateral financial institutions:

(a) There should be urgent provision of adequate financial assistance to African countries making serious efforts to cope with overdue obligations to multilateral financial institutions, in order

to help clear arrears and finance the implementation of structural adjustment programmes through a cooperative approach; and

(b) A relationship should be established, as appropriate, between the amount of debt service and the growth of GNP, the evolution of commodity prices, government revenues and export earnings or other relevant indicators of the economic situation of indebted African countries, thus adjusting debt service to the real payment capacity of each African debtor country.

41. In the case of debt owed to commercial banks:

(a) African countries call upon creditors to seriously consider new and bolder initiatives, for instance the establishment of an international debt facility;

(b) Additional resources should be provided to reduce the commercial bank debt of African countries, through inter alia, implementation of debt buy-back and debt conversion schemes. Debt reduction options should be compatible with secondary market prices of developing countries debt; and

(c) The negotiation process between debtor countries and commercial banks should be anchored on authoritative estimates of the country's debt reduction and cash flow needs.

42. As a means to ensure the expeditious implementation and review of these measures to resolve Africa's debt crisis, an international conference on Africa's debt problems is urgently called for.

(b) The flow of financial resources to African countries

43. Donor countries should redouble their efforts to increase concessional resources to African countries in order to enable the African region to finance adjustment and development efforts. A doubling of ODA to African countries is urgently required. Such flows should be placed on a stable, assured and predictable basis.

44. The process of structural adjustment in African countries needs to be adequately supported and funded for the impact of growth and development to be positive and sustainable, and to minimize negative impacts on the poorer sectors of society, on social infrastructure and on Africa's efforts to develop its human capital. This requires a substantial increase in the resources available for this purpose from bilateral and multilateral sources. In addition, it is important to ensure that associated macro-economic and structural policy conditions take due account of the specificity of Africa's economic needs and conditions.

45. African countries call upon the developed countries to implement as a matter of urgency necessary adjustment measures to bring about the early resumption of sustained non-inflationary growth and the reduction of external and fiscal imbalances as indispensable measures to promote a healthy and open world economy.

46. African countries call upon developed countries to improve the conditions of market access for products from developing countries and also help to strengthen world commodity markets in order to bring about an improvement in terms of trade of African countries. Substantially increased export earnings by African countries would eventually reduce their need for external financial assistance.

47. The provision of additional resources to African countries is a matter of top priority. Steps should be taken to increase the resources of the World Bank's Special Programme of Assistance for

debt-distressed low-income countries. Similarly, financial flows under the Structural Adjustment Facility (SAF) and the Enhanced Structural Adjustment Facility (ESAF) should provide medium-term concessional loans to low-income African countries. Furthermore, the multilateral financial institutions (MFIs) should be provided with adequate resources to support Africa's long-term development.

48. African countries call upon the international community to put in place the necessary mechanisms to prevent and reverse the occurrence of net negative transfers of resources to African countries. This appeal is addressed to both developed countries and the MFIs. Achieving a net positive transfer on a stable long-term basis should be considered a moral obligation.

49. Countries should refrain from adopting macroeconomic policies which encourage capital flight from African countries.

50. African countries should continue to pursue measures to enhance their investment climate, particularly as regards inflows of foreign direct investment and other non-debt-creating financial flows. These efforts would need to be supported by innovative incentives and promotional measures by home countries and the World Bank Group (International Finance Corporation and the Multilateral Investment Guarantee Agency).

51. There are indications of a diversion of aid from developing countries, especially African countries, towards the countries of Central and Eastern Europe. Legitimate efforts to provide financial assistance to the countries of Central and Eastern Europe should not be at the expense of African countries. Commitments made by OECD countries in this respect should be honoured.

52. Multilateral financial and development institutions are urged to provide additional financial resources to African countries in order to make up for the decline of ODA from countries of Central and Eastern Europe.

53. The financing of environmental protection is also a matter of priority for African countries - especially in view of the interrelationship between the environment, poverty alleviation, growth and development. The international community must ensure that financing in this area is truly additional, and not at the expense of regular development activities. New funds, including market-related transfers, for global and domestic environmental problems are essential.

54. Developed countries have a special responsibility to reduce military expenditures. A substantial part of these reductions should be channelled to African countries for investment in social and economic development. African countries too should reduce their military expenditures, taking into account the specific conditions of each country, and improve their allocation of resources in favour of social and economic development.

55. The international community is called upon to assist African countries in their efforts to enhance the mobilization of domestic resources.

(c) Human resources development

56. The above-mentioned measures are inextricably linked to strengthening Africa's capacity to develop its own capital resources, be it human, environmental or other natural resources. With the adoption of human-centred development and the safeguarding of environmental quality for future generations, developed countries have a special responsibility to provide resources for strengthening Africa's capacity to develop and sustain the quality of its human resources.

III. INTERNATIONAL TRADE

57. African countries note with concern that, in spite of the fact that an increasing number of African countries have implemented major structural adjustment programmes, including liberalization of external trade regimes, these programmes have not been accompanied by the dismantling of protectionism in the industrialized countries.

58. They note that there is no universal prescription regarding successful trade and industrialization policies. Individual countries should be allowed to gear their trade policies to their level of industrialization and their development objectives according to their needs, level of development and particular circumstances. Within such a framework, trade policy reform may be necessary.

59. They stress that, given the low level of economic and social development of African countries, as well as their trade needs, a sustainable international trading system which is fair and equitable should give concrete expression to the concept of differential and more favourable treatment to African countries. This can be achieved through various measures that include, inter alia, improved access to the markets of developed countries for products of interest to African countries, in particular preferential access so as to compensate them for the erosion of existing preferences; and commitment by developed countries members of regional trading blocs to guarantee market access to African exports.

60. With regard to the Uruguay Round, African countries urge industrialized countries to facilitate an early and favourable conclusion of the Multilateral Trade Negotiations, which could make a positive contribution to the resolution of the debt problems of African countries.

61. In this regard African countries further stress the following:

(a) Balanced results in the Uruguay Round negotiations should ensure, inter alia, fullest liberalization of trade in tropical products and natural-resource-based products, taking into account the interests of African countries. In addition, African countries should be given credit and due recognition for autonomous trade liberalization measures already undertaken and moreover should not be required to make concessions that are inconsistent with their trade, financial and developmental needs;

(b) Ways and means should be developed to offset the loss of trade benefits to African countries due to the erosion of their preferential margins in the Uruguay Round;

(c) The rights available to developing countries under Article XVIII, especially section B, of GATT (balance-of-payments problems) should be safeguarded. African countries are most vulnerable to balance-of-payments difficulties and would need maximum flexibility in invoking this article;

(d) Results in agriculture should provide more favourable treatment to enable African countries to continue their programmes to encourage agricultural development, while obtaining preferential access to world markets in general and to certain markets in particular for specific products subject to trade agreements. Measures should be adopted to offset the burden arising from increases in food prices on net food-importing countries;

(e) African countries, as small suppliers in trade in textiles and clothing, should be granted unrestricted access to the markets of developed countries during the transitional phase-out

period of the MFA, in addition to exemptions from any action taken under transitional safeguard arrangements;

(f) African countries will not agree with any approach to the outcome of the Uruguay Round negotiations that would try to impose a "single undertaking", the implication of which would be to create cross-sectoral linkages that would upset the balance between future GATT rights and obligations in favour of major trading nations.

62. Appreciation is expressed to UNCTAD for its technical assistance to African countries in the MTNs, and the need for such assistance to be continued and strengthened, including for the implementation of the results of the Uruguay Round, was stressed.

63. While a liberal and multilateral trading system with strengthened rules and disciplines is in the interest of all countries, the special economic situation and needs of African countries, particularly the LDCs, should be taken into account. Accordingly, the principles of multilateralism and free trade should not be allowed to undermine benefits already acquired by African countries from schemes implemented by developed countries in their favour.

64. As a means to combat protectionism, member States of UNCTAD, particularly developed countries, and their regional groupings having competence in the area of trade policy, should establish independent transparent mechanisms for evaluating protectionist measures and their implications for the domestic economy as a whole and effects on the export interests of developing countries, particularly African countries. In this connection:

(a) UNCTAD should arrange for the participation, as appropriate, of officials handling existing national mechanisms in the work of the Trade and Development Board within the framework of annual reviews on protectionism and structural adjustment, with a view to facilitating their interaction with governmental representatives and enhancing the adoption of concerted policies in the fight against protectionism;

(b) UNCTAD should evolve, on the basis of experiences in this area, features for transparent mechanisms, with a view to facilitating the establishment of such mechanisms by member States;

(c) UNCTAD should provide technical assistance to interested countries in connection with the establishment of transparent mechanisms.

65. African countries emphasize that trade policy measures by developed countries for environmental purposes should not be used as a vehicle for introducing discriminatory and disguised barriers to African countries' trade.

66. They reaffirm that the generalized system of preferences (GSP) is a positive element in the trade relations of African countries with developed countries and call for improvements in the system, including, inter alia, an increase in preferential margins, expansion of product coverage so as to include products of export interest to Africa, improved rules of origin criteria and increased technical assistance to allow African countries to fully benefit from the system. In this context, the GSP should be extended to cover applicable barriers affecting their trade in goods and services with developed countries.

67. They feel that appropriate way and means should be developed, including through host-country investment measures, to ensure that transnational corporations contribute to capacity building in host African countries through, inter alia, transfer of technology, training, creation and development of infrastructures, and formation of managerial capabilities.

68. Among the developing countries in Africa, 15 are land-locked. This geographical handicap impairs their capacity to engage in, and benefit from, international trade. Improvement of transit facilities, in particular, transport and communications, both in transit and land-locked countries, is vital for the expansion and development of the foreign trade sector of these countries. Land-locked countries and their transit neighbours are already making concerted efforts to improve transit infrastructure and to reduce the cost of transit for land-locked developing countries. However, their efforts alone are not sufficient. These countries should be assisted by the international community through financial and technical assistance. In this connection, it was noted that UNCTAD is already providing assistance to all land-locked and transit countries through its three subregional transit transport projects in East/Central, Southern and West/Central Africa. African countries stress the need for UNCTAD to continue and further strengthen its technical cooperation programme in the area of transit transport facilitation.

A. Restrictive business practices

69. The existing institutional arrangement for international trade does not adequately provide for measures to control the restrictive business practices of enterprises. The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices has been unable to eliminate or even effectively control RBPs in the 10 years since it was adopted. With the relative reduction in government-imposed trade barriers, there has been a relative increase in the incidence of RBPs.

70. The globalization of international commerce and the increasing technological and knowledge-intensive character of production, distribution and marketing have been accompanied by the creation of monopolies and oligopolies through mergers, takeovers and strategic alliances between large enterprises, often with the tacit understanding of some Governments involved.

71. The dominant position of TNCs in almost every African economy as suppliers, manufacturers, buyers and sellers of goods and services, as well as their dominance in international transactions, makes the African countries extremely vulnerable to the adverse effects of the anti-competitive practices of these firms. Accordingly:

(a) African countries urge particularly the developed countries to adopt and implement domestic legislation on competition policy/restrictive business practices to ensure that the trade and development of developing countries are not hampered by RBPs of enterprises;

(b) African countries call for the adoption of a comprehensive and development-oriented institutional framework which should include legally enforceable multilaterally agreed principles and rules for the prevention and control of anti-competitive and restrictive business practices in international trade; and

(c) African countries appreciate the importance of technical assistance for developing appropriate legislation at the domestic level for the control of RBPs and call for increased bilateral and multilateral support for UNCTAD's technical assistance activities in this field.

B. Trade between developing countries and countries of Central and Eastern Europe

72. East-South trade has represented only a modest part of the developing countries' global exchanges, especially those of the African continent, except for a few countries. There is a need to follow closely developments in economies of Central and Eastern Europe and to analyze the impact of developments in East-West relations on the growth of the world economy, especially on the developing countries' economic growth and development prospects, as well as on international economic cooperation. Such analyses should focus on:

(a) Developments in East-West relations involving innovative multilateral cooperative efforts to reallocate financial, technical and human resources until now utilized for military purposes for economic development;

(b) The likely impact of diversion of financial resources and trading advantages accorded to developing countries for the benefit of Central and Eastern European countries; and

(c) African countries which have been receiving aid from the former socialist bloc and whose economic and social situation has been severely affected by the abrupt stoppage of such aid should receive offsetting aid flows.

73. UNCTAD should:

(a) Undertake an in-depth study with regard to the countries of Central and Eastern Europe aimed at identifying new opportunities for international cooperation that may have emerged from the ongoing process of reforms in the East as well as in the South;

(b) Organize workshops and seminars for the exchange of experience gained through the reforms undertaken in the Eastern and Central European countries and developing countries; and

(c) Provide technical assistance for identifying new opportunities in the markets of Eastern and Central Europe for the developing countries' exports.

IV. TECHNOLOGY TRANSFER AND DEVELOPMENT

74. African countries view with concern the decline in technology flows to Africa, which has been far greater than that suffered by any other region of the developing world since the early 1980s.

75. They note that inadequate levels of accumulated technological capabilities limit African countries' ability to adjust to changes in patterns of supply and demand on world markets. Furthermore, rapid technological changes are widening the technological gap faced by African countries and diminishing their comparative advantage in traditional export products.

76. In view of the low level of their technological base, African countries need to adapt existing technologies to cater for their basic needs in areas such as agriculture and agro-based industries, health care, textile and clothing, construction, telecommunications, transportation and distribution with a view to strengthening their productive and export capacity. In this context, African countries recommend the establishment of cooperative arrangements and joint ventures between developed and developing countries, particularly African countries, in R and D activities through, inter alia, innovation centres and laboratories in developing countries.

77. They recommend that technical and financial support be provided to African countries for indigenous technological capacity-building, including infrastructure and human resources development. In this context, particular emphasis should be given to training personnel from African countries in enterprises and R and D institutions in developed countries, as well as in more advanced developing and African countries.

78. African countries express their strong concern about multilateral and unilateral attempts to use intellectual property rights systems (IPRS) to create further constraints on access to and transfer of technology, particularly new technologies, to developing countries. Any new regime of IPRS should take into account the development concerns of developing countries and the need to facilitate access to foreign technology.

79. They expressed their deep concern over the restrictions imposed by some developed countries on the transfer of advanced technologies to African countries for political reasons.

80. They reaffirm their conviction that there is, at present, more than ever before, a pressing need for a global framework of rules and principles aimed at promoting the access to, diffusion and transfer of technology on fair and equitable terms and conditions, at both the intergovernmental and the inter-enterprise levels. Therefore, African countries call for the early resumption of the negotiations on an international code of conduct on the transfer of technology and their successful completion as soon as possible.

81. They urge that support be given to African countries in their efforts to create and develop the skill and knowledge base necessary for the acquisition, adaptation and generation of environmentally sound technologies, and in this context, also recommend that an international mechanism be established for the dissemination of information on existing environmentally sound technologies.

82. African countries express their concern over the negative impact of reverse transfer of technology on their technological and developmental prospects. Accordingly, they call upon developed countries and international organizations to strengthen and further support the programmes aimed at sponsoring short-term visits or, where appropriate, permanent return of experts of African origin who are currently working in firms and institutions of the developed countries. These programmes would help developing countries, particularly African countries, in their efforts to further develop their indigenous technological base.

83. African countries recognize the growing role of technology and trade-related information networks in facilitating international technology and trade transactions and the need to ensure that all countries, particularly African countries, benefit from these networks. Accordingly, they recommend that UNCTAD become a focal point for establishing an information network for technology, trade and development.

84. They express their appreciation for the technical assistance provided by the Advisory Service on Transfer of Technology (ASTT) of UNCTAD and call upon Governments and financial development institutions, in particular UNDP, to increase their financial support to the ASTT, in order to enable it to provide effectively the necessary assistance in the technology field.

V. SERVICES

85. African countries underline the crucial role of services in their development process. However, they note the underdevelopment of this sector in their economies, which militates against its making a full contribution to their social and economic development. In this context they stress

that liberalization of trade in services should take into account the need to develop and further strengthen the domestic service sector capacity of African countries. TNCs which are suppliers of services should contribute to the creation of infrastructures for the development of domestic services, including the development of institutional infrastructure, granting of access to technology and strengthening of the export capabilities of host African countries.

86. They also underline the relationship between liberalization of trade in services and sovereignty, cultural identity and national security, as well as its development dimension, particularly in so far as such trade supports other sectors of the economy, including trade in goods, and as it relates to the basic needs of the African population.

87. Special, differential and more favourable treatment should be extended to African countries in the liberalization of trade in services. These countries should not be required to make commitments that run contrary to their developmental objectives and needs.

88. In view of the low level of development of their service sectors, African countries' participation in trade in services is quite limited. Given this situation, African countries should not be required to undertake initial commitments as a precondition to participating in an eventual agreement on trade in services.

89. As the services sector in African countries lacks adequate financial resources, there is a need for assistance on concessional terms by multilateral organizations and bilateral donors to help them develop basic services infrastructures, including sub-regional and regional transportation (roads, railways, air and maritime services, etc.), with a view to enhancing intra-African trade, as well as the export capacity of African countries in the services sector.

90. UNCTAD is urged to continue its research and policy analysis on development and trends in services and identify problems facing African countries' participation in trade in services, as well as assisting them in assessing the role of services in their economies and in designing strategies to strengthen their domestic services sector.

91. With regard to maritime transport services, African countries stress the following:

(a) The need to ensure that developing countries' shipping lines are able to participate on an equitable basis in markets dominated by powerful international shipping companies;

(b) The need to support efforts to increase the capacity of African shipping lines in order for them to take full advantage of the cargo generated by their seaborne trade;

(c) The need for UNCTAD and other international organizations to provide technical and financial assistance for the implementation of the second United Nations Transport and Communications Decade in Africa, especially in the field of maritime transport, such as establishment of joint ventures in shipping services, shipbuilding and repair services, harmonization of national shipping policies, documentation and procedures to facilitate maritime trade, aids to navigation and shipping communications, manpower development in the field of shipping services, as well as ports and multimodal transport;

(d) The need for the international community and donor agencies to continue to support intra-African cooperation in maritime transport;

(e) That assistance should be provided to developing countries in establishing bilateral and multilateral agreements between land-locked and coastal countries to facilitate the implementation of the provisions of the Code of Conduct for Liner Conferences and other shipping agreements; and

(f) In view of the importance of information technology in the transport sector, and given the initial benefits that UNCTAD's Advance Cargo Information System (ACIS) has generated in those countries that have adopted it, the system should be incorporated into the regular work programme of UNCTAD and expanded to cover all African and other developing countries. African countries are convinced that the System is consistent with and promotes the objectives of the Lagos Plan of Action, the second United Nations Transport and Communication Decade in Africa and the Treaty establishing the African Economic Community.

VI. SUSTAINABLE DEVELOPMENT

92. A close interrelationship exists between poverty and environmental degradation. Achieving sustained growth and sustainable development in developing countries will require a fundamental change in the unsustainable patterns of production and consumption, particularly in industrialized countries. Nevertheless, all countries must take effective measures for the protection, restoration and enhancement of the environment in accordance with their respective capabilities.

A. Policies and measures to promote sustainable growth and development of African countries

93. African countries reaffirm that poverty reduction is the overriding priority of sustainable development.

94. African countries call upon developed countries to ensure that resource flows for global and domestic environmental protection are new and additional to current ODA flows and development commitments, and are provided as grants and on concessional terms. Such flows must be put on a stable, reliable and predictable basis.

95 Developed countries must speed up the transfer of new and environmentally sound technologies to African countries to enable them to improve the quality of growth and enhance their development prospects. Developed countries should provide open and continuous access to environmentally sound technologies on preferential and non-commercial terms.

96. Creditor countries and multilateral financial institutions should cooperate with African countries in the implementation of debt-conversion schemes for the protection of the environment. Such schemes could include the conservation of Africa's rain forests, reafforestation programmes, control of desertification, the protection of fresh-water resources, control of the dumping of toxic and hazardous industrial and other wastes in oceans and water bodies surrounding Africa, as well as the cleaning up of the Mediterranean and Red Seas and the protection of their fauna and flora.

97. African countries call upon developed countries to assist in efforts to increase the competitiveness and demand for natural products, including Africa's commodity exports, vis-à-vis synthetics and substitutes.

98. The situation of the least developed countries deserves special attention. The twin problems of LDCs' pervasive poverty and environmental degradation must be tackled simultaneously to provide a basis for long-term sustained growth and sustainable development. The international community is called upon to provide the LDCs with new, additional and adequate resources as

grants and on concessional terms to enable them to incorporate environmental dimensions into their development objectives and policies.

99. African countries call upon the international community to strengthen the role of UNCTAD in the field of sustainable development. This would imply the continued pursuit of analytical work which contributes to innovative thinking in all aspects of UNCTAD's mandate, including the integration of sustainable development into the concept of interdependence.

100. African countries call upon the Secretary-General of UNCTAD:

(a) To examine the role that economic instruments such as environmental taxes and tradeable permits could play in enhancing global and domestic environmental protection, bearing in mind the interests of developing countries, particularly African countries;

(b) To study the outcome of UNCED and related environmental considerations in relation to trade, industrialization policies and sustainable development of developing countries and to analyze (i) possible changes in the pattern of production, trade and technological changes in developed countries and their impact on developing countries; and (ii) the impact of developed countries' environmental policies on trade and development of developing countries, particularly African countries;

(c) To work towards evolving a conceptual framework for establishing the link between the removal of trade barriers on goods and services (including access to technology and to labour markets across countries) and the enhancement of sustainable development of developing countries;

(d) To study the possibilities of integrating sustainable development into the concept of price formation, especially the determination of remunerative prices for commodity and manufactured exports from developing countries; and

(e) To provide technical assistance to African countries in the above-mentioned areas.

VII. THE LEAST DEVELOPED COUNTRIES (LDCs)

101. African countries call upon the international community to implement fully and expeditiously the Programme of Action for the LDCs for the 1990s adopted by the United Nations Conference on LDCs held in Paris in September 1990.

102. They urge the developed countries to provide adequate support to complement domestic efforts and policies of LDCs within the framework of the Programme of Action. In this respect, the developed countries are called upon to:

(a) Implement their commitments to provide the LDCs with a significant and substantial increase in the level of highly concessional and non-debt-creating external financial resources. Towards this end, donor countries should redouble their efforts to reach their ODA targets established in the Programme of Action;

(b) Reduce the debt stock and debt-servicing burden of the LDCs, including debt due to multilateral financial institutions. For this purpose:

(i) all donors which have not yet implemented debt-relief programmes should, as a matter of urgency, take steps to cancel or provide equivalent relief on all LDCs' ODA debt;

(ii) the creditors should agree to cancellation of all LDCs' bilateral official debt, including the non-concessional part of this debt; and

(iii) appropriate measures should be taken to alleviate the multilateral debt of LDCs, and new multilateral financing should be on concessional terms only; and

(iv) additional resources should be provided to reduce LDCs' commercial debt through, inter alia, implementation of debt buy-back and conversion schemes.

103. As external trade is seen in the Programme of Action as a vehicle for net resource flows to LDCs, the Uruguay Round of Multilateral Trade Negotiations should result in substantially improved market access for exports of LDCs. In this connection, African countries call upon the international community to implement measures contained in the Programme of Action, in particular:

(a) Advanced implementation of MTN concessions of particular interest to LDCs made by the contracting parties to the GATT;

(b) Enhanced access for products of LDCs through the elimination of tariff and non-tariff barriers;

(c) The fullest possible liberalization of trade in textiles negotiated in the Uruguay Round;

(d) GSP schemes should be improved by increasing the range of products covered or the tariff concession, applying flexible rules of origin, special terms of exemptions from quotas on ceilings, and greater long-term stability and predictability in the management of GSP schemes; and

(e) Developed countries are strongly urged to take steps to simplify procedures and help LDCs take full advantage of the GSP schemes.

104. The twin problems of the LDCs' pervasive poverty and environmental degradation have to be tackled simultaneously to provide a basis for long-term sustained growth and sustainable development. African countries call upon the United Nations Conference on Environment and Development to provide for measures to enable the LDCs to pursue their efforts to incorporate environmental dimensions into their development objectives and policies. In order to fully benefit from such measures, the LDCs would require financial and technical support to strengthen their human, institutional and technological capacities.

105. African countries call for urgent and sustained implementation by the international community of the measures outlined in paragraph 105 of the Programme of Action for the LDCs for the 1990s in order to assist them to overcome their technological backwardness and improve scientific skills and R and D capabilities for acquiring, adapting and absorbing modern technology.

106. They also stress that the results in the TRIPSs negotiations in the Uruguay Round should not further constrain technological capacity building, particularly with regard to access to technology by the LDCs. They therefore urge the exemption of the LDCs from any additional obligations beyond those already undertaken in existing intellectual property conventions in order to provide them with adequate flexibility in meeting the immense challenge they face in their efforts for technological transformation.

107. As was stressed in the Programme of Action for the LDCs for the 1990s, the international community should intensify its support for LDCs' efforts towards diversification, increased processing and increased participation in the marketing of their products by providing adequate financial and technical assistance. African countries call upon the IMF to facilitate LDC access to the resources of its CCFF on concessional terms. They request the EEC and Switzerland to increase the resources of their compensatory programmes and other developed countries to establish similar programmes.

108. The General Assembly decided that regular monitoring of the progress on the Programme of Action should be taken at three levels, namely national, regional and global, and that the Trade and Development Board of UNCTAD should consider annually the review of progress at the global level. Country review mechanisms such as UNDP round-tables and World Bank consultative groups would continue to constitute the backbone of the country review process. In this connection, African countries stress the need for:

(a) Organizing country review meetings on a more systematic and regular basis;

(b) Assisting LDCs in strengthening their capacity to ensure their leadership role in the country review process;

(c) Establishing strong links between the follow-up at the national and the global levels;

(d) The Trade and Development Board to take corrective measures, when necessary, to ensure the realization of the objectives of the Programme of Action.

VIII. ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES (ECDC)

109. African countries reaffirm the importance of ECDC and the need to intensify efforts to revitalize and strengthen existing mechanisms of economic and technical cooperation among developing countries at the subregional, regional and interregional levels with a view to increasing developing countries' capacity to produce, achieve economies of scale and become competitive in world markets. They strongly believe that concrete efforts to intensify interregional cooperation are essential for this process.

110. Subregional groupings and integration schemes represent milestones for strengthening economic cooperation among developing countries, particularly African ones. They therefore underline the important contribution of the GSTP in this process as a means of facilitating and expanding trade among developing countries and call for the early launching of the Second Round of GSTP negotiations.

111. African countries invite the industrialized countries to support actively the implementation of projects of cooperation among developing countries, and call upon the UNDP to contribute to the elaboration of those projects. The international community, particularly developed countries and multilateral financial institutions, are urged to support subregional and regional economic and technical cooperation efforts in Africa.

Decision of the ministerial meeting

The African Ministerial Meeting decides to authorize the African Group in Geneva, in the context of the preparatory work of the Group of 77, to consult with the two other regional groups (Asia and Latin America) with a view to harmonizing the three regional texts in order to advance the work of the seventh Ministerial Meeting of the Group of 77, and to report the outcome of the consultations to African Ministers of Trade during the seventh Ministerial Meeting of the Group of 77.